

One item of information that we were asked to track down was the impact of mandates on premium costs. We polled Iowa health insurance companies for their assessment of the impact on their business and received a lot of feedback. The attached file represents the aggregate response of twenty companies who do business in Iowa and sent us their responses. It divides mandates into three categories, Benefit Mandates, Provider Mandates, and Covered Person Mandates. A summary sheet combines the numbers.

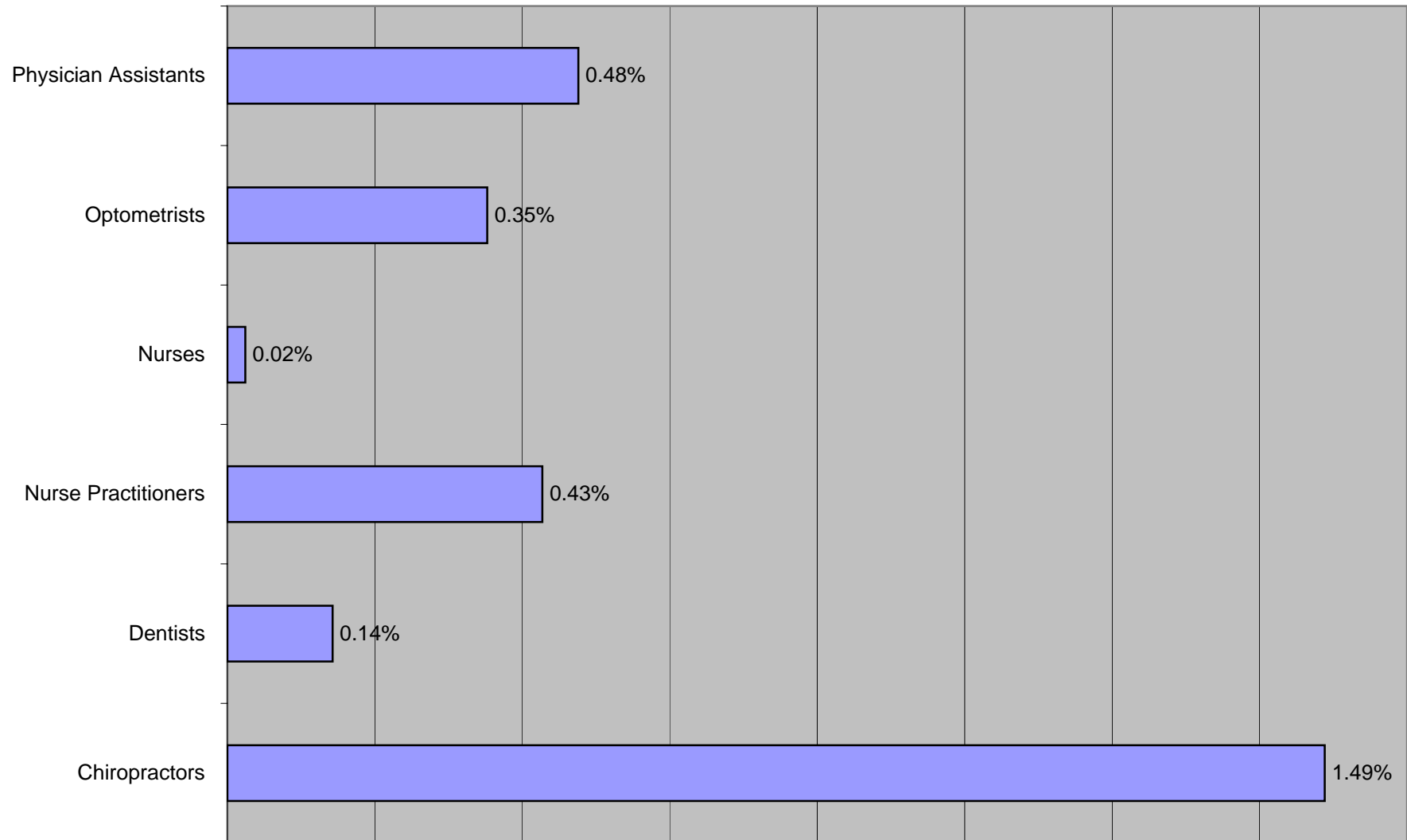
It should be noted that there may be an overlap that could artificially inflate the total results somewhat, as in the case where two mandates might come into play. An example might be an autistic newborn, which introduces a benefits factor along with a covered persons factor. The impact of a potential double count for some of these circumstances is not quantifiable, but should not be large. Nevertheless, we felt we should note this potential shift in results.

The Excel file has spreadsheet and chart elements. You might choose to simply use the summary spreadsheet and disregard the other subsets and charts.

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Providers Estimated Costs as % of Written Premiums

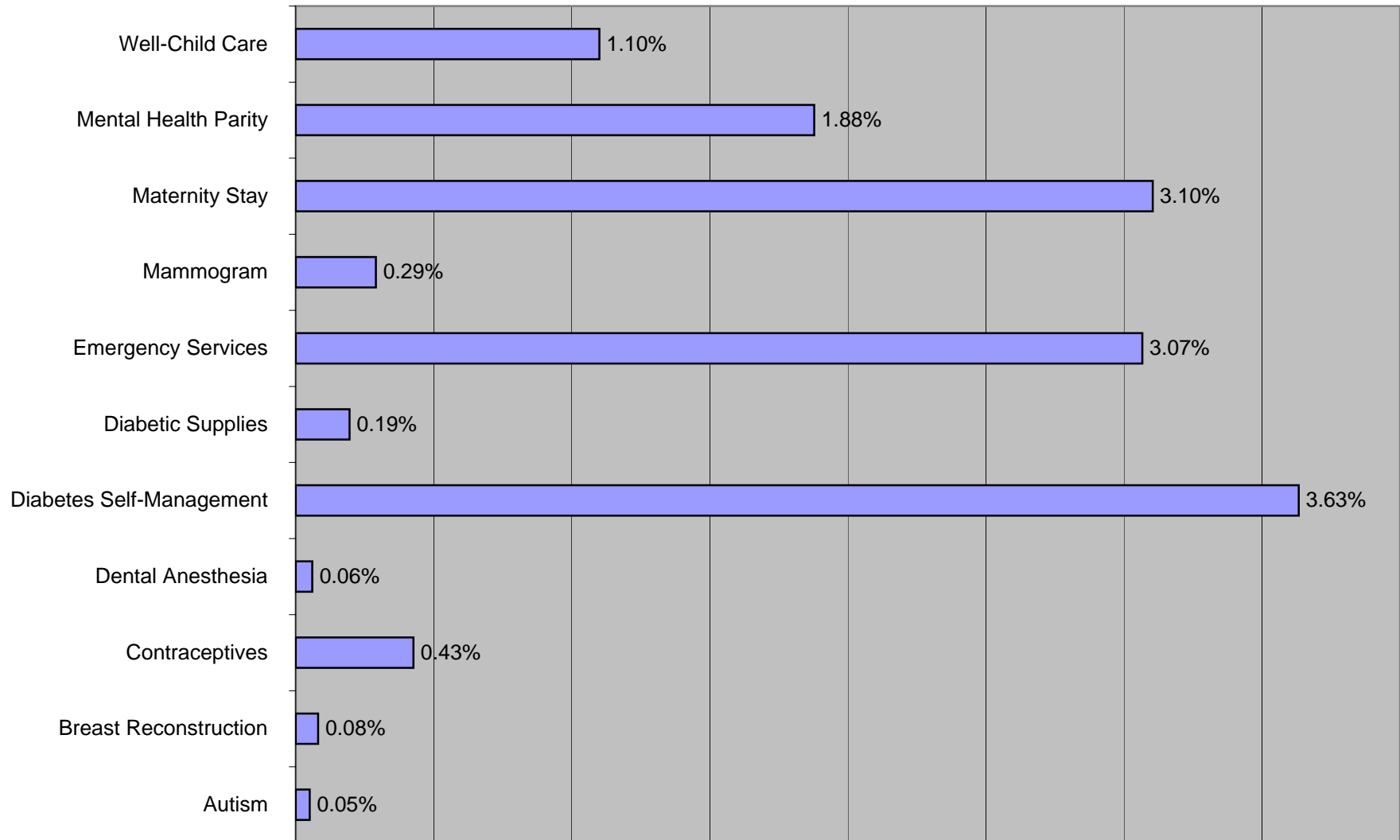
Based on 21 companies estimates comprising a majority of the market share



PROVIDERS	Est. Cost % if Premium	Est. Annual Cost Total Dollars
Chiropractors	1.49%	\$53,907,909
Dentists	0.14%	\$3,346,794
Nurse Practitioners	0.43%	\$15,283,332
Nurses	0.02%	\$857,857
Optometrists	0.35%	\$12,610,902
Physician Assistants	0.48%	\$17,028,293
Totals from Providers	2.84%	\$103,473,985

Benefits Estimated Cost as % of Written Premium

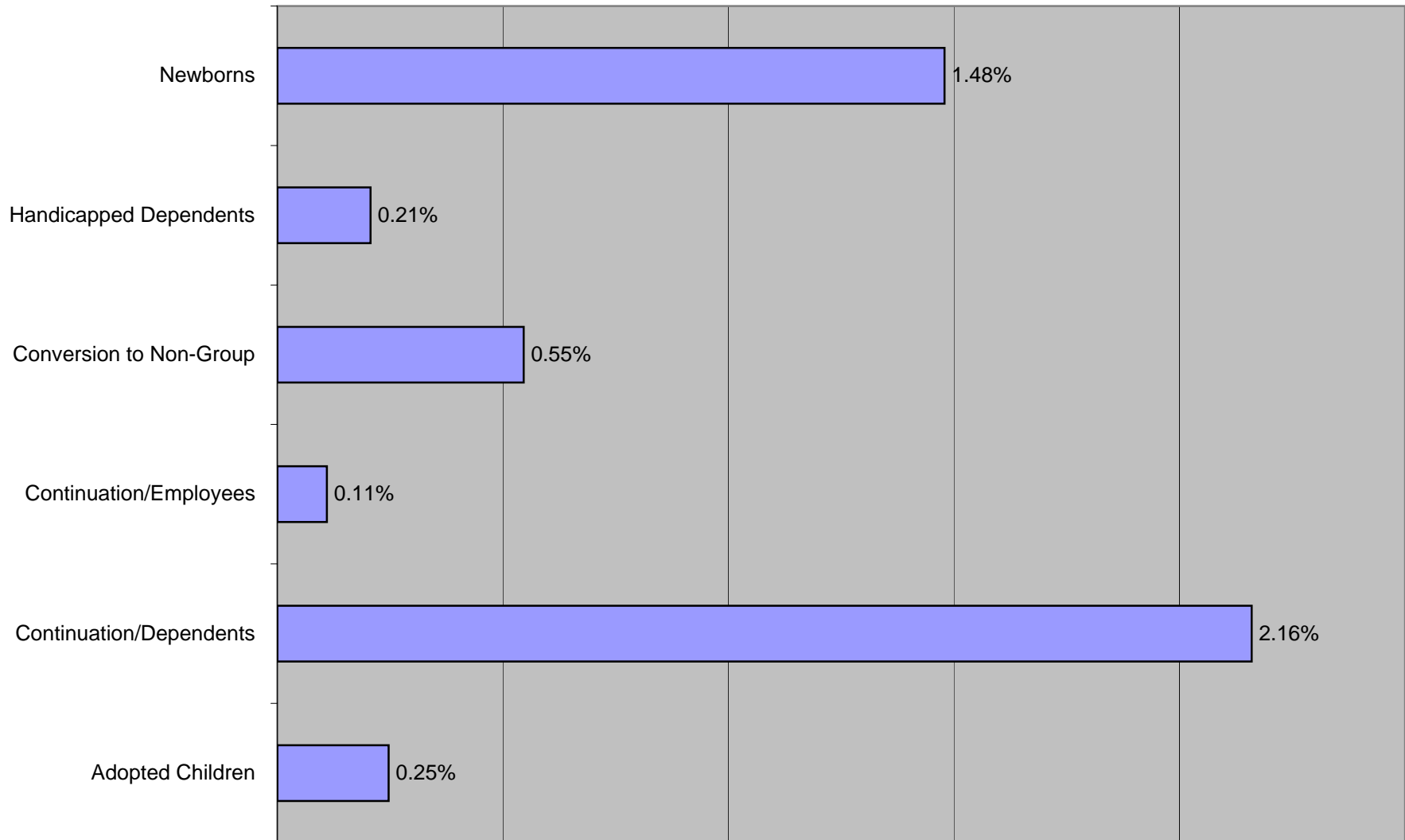
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BENEFITS	Est. Cost % if Premium	Est. Annual Cost Total Dollars
Autism	0.05%	\$1,784,413
Breast Reconstruction	0.08%	\$2,534,577
Contraceptives	0.43%	\$15,179,597
Dental Anesthesia	0.06%	\$28,111
Diabetes Self-Management	3.63%	\$129,677,461
Diabetic Supplies	0.19%	\$101,812
Emergency Services	3.07%	\$109,543,303
Mammogram	0.29%	\$9,349,013
Maternity Stay	3.10%	\$110,932,604
Mental Health Parity	1.88%	\$67,214,533
Well-Child Care	1.10%	\$670,044
Totals from Benefits	12.41%	\$451,837,444

Covered Persons Estimated Costs as % of Written Premiums

Based on 21 companies estimates comprising a majority of the market share



COVERED PERSONS	Est. Cost % if Premium	Est. Annual Cost Total Dollars
Adopted Children	0.25%	\$125,035
Continuation/Dependents	2.16%	\$77,046,700
Continuation/Employees	0.11%	\$30,946
Conversion to Non-Group	0.55%	\$28,767
Handicapped Dependents	0.21%	\$7,248,778
Newborns	1.48%	\$502,971
Totals from Covered Persons	3.18%	\$91,398,494

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Sum of the three types of mandates	18.44%	\$646,709,923